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SUBJECT: SHANGHAI SCHOLARS ON CROSS-STRAITS RELATIONS

REF: SHANGHAI 7043

CLASSIFIED BY: Mary Tarnowka, Section Chief, Political/Economic  
Section, U.S. Consulate Shanghai.  
REASON: 1.4 (b), (d)

11. (C) Summary: Several prominent Shanghai-based cross-Straits scholars told visiting EAP Political Officers during meetings on November 1-3 that domestic political turmoil in Taiwan would continue and would prevent any breakthroughs on cross-Straits issues for the foreseeable future. The scholars expected President Chen Shui-Bian to use constitutional reform to push independence and provoke the mainland. They expected Beijing to react strongly only if the constitutional reform process touched on territorial issues, but acknowledged that Beijing would view with suspicion any proposal initiated by the Democratic Progressive Party (DPP). Scholars expressed skepticism about Ma Ying-jeou's chances for the 2008 Presidential election, with some noting that even if Ma did win the Presidency, it would be difficult for him to overcome DPP opposition and improve cross-Straits relations. End Summary.

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DPP Constitutional Reforms  
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12. (C) During a November 1 meeting with visiting EAP Political Officers Chernawsky and Longenecker, Shanghai Institute for East Asian Studies (SIEAS) Director Zhang Nianchi predicted that Taiwan domestic politics would continue to be polarized in the next two years. He said that neither the DPP nor the KMT were united and that party infighting had led to a more combative and unpredictable political environment. The DPP was pushing issues such as constitutional reform and UN membership to provoke a reaction from Beijing and gain more support from voters. Zhang anticipated the DPP would press for referenda on these topics and thought the high Taiwan public support for returning to the UN would make this a particular flash point for Beijing. Shanghai Academy of Social Sciences (SASS) Vice President Huang Renwei, during his meeting with EAP Political Officers on November 2, shared similar views. Huang said President Chen Shui-bian had realized after the demonstrations against him that his time was extremely limited. He needed to find a way to catch up and was using the "extreme" independence issue to

appeal to deep Green voters and reorganize his power base. Only by provoking a crisis, could President Chen regain political support. Huang expected President Chen would continue to push independence and trigger a crisis with the mainland in the next two years.

13. (C) Shanghai's Taiwan scholars were concerned about DPP efforts to reform the constitution and believed that these efforts were aimed not at improving the government but establishing independence. SIEAS Zhang said he had reviewed many of the reform proposals. While some were innocuous, others touched on sensitive issues. Furthermore, the process of constitutional reform itself was dangerous. Zhang said 130 of the 175 articles of the constitution were under consideration for revision. If the Taiwan government revised 130 articles, it would be difficult to claim that the revised constitution was the same as the old constitution. In addition, the existing constitution represented Chinese people on the mainland and Taiwan. With such revisions approved only by the population of Taiwan, one could not say such a revised constitution represented all of China. Finally, Taiwan could argue that only an independent country could change its constitution and by changing its constitution it was de facto independent. Both Zhang and Huang were worried that Chen would be able to force changes by using a "two step forward, one step back" method. The DPP could propose a compromise which would appear acceptable when contrasted with President Chen's radical proposals, but which would still include major steps toward Taiwan independence. Huang noted that while a moderate proposal might be more acceptable, any proposal that touched on territorial issues, no matter how moderate, was still dangerous.

14. (C) Taiwan Research Center Executive Vice President Yan Anlin, in a discussion on November 1, was also wary of the DPP. He said the DPP leaders were experts at "word games" and worried

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that the DPP would be able to trick the United States into accepting dangerous constitutional reforms. For example, when President Chen Shui-bian froze the National Unification Council (NUC) and National Unification Guidelines (NUG), he used a Chinese word that meant both "to freeze" and "to cancel." To Chinese people, President Chen had cancelled the NUG, while to Americans he had just frozen the process. Yan said the DPP was attempting to do the same thing with the constitution. He heard that it would change the preamble and replace any reference to the Republic of China with "wo guo" (our country). While to Americans, this might seem harmless, to Chinese people this was a clear indication that Taiwan was different from the mainland.

15. (C) Zhang, Huang, and Yan all suggested that China would accept constitutional reforms if it these reforms did not touch on territorial or independence issues. SIEAS Zhang added that KMT support for any constitutional changes was necessary for passage. Zhang noted that the KMT also supported constitutional reform but said that KMT goals were different from the DPP, and were focused on good governance and supporting unification. A KMT proposal would generally be viewed with an open mind, whereas any proposal from the DPP would be treated with suspicion.

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KMT Internal Politics, Ma's Troubles  
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16. (C) Like Beijing scholars, Shanghai scholars were concerned about KMT Chairman Ma's declining popularity and unsure Ma would be able to win the Presidency in 2008. Zhang said Ma had failed to come up with a "new direction" for Taiwan to distinguish his party from the DPP. He had also lost support because of his handling of the anti-Chen Shui-bian protests. Zhang predicted that Ma would not be able to resolve his differences with Legislative Yuan Speaker Wang Jin-pyng and People First Party (PFP) Chairman James Soong and unite the Pan-Blue camp. SIIS Department of American Studies Director Chen Dongxiao provided a similar view during a meeting on November 1. According to Chen, Ma's leadership was eroded by his hesitation and capriciousness.

His lack of resolution had led to suspicions within the Pan-Blue faction and prevented Ma from uniting the camp. Chen saw Soong as still an important challenge to Ma's leadership. According to Huang, Ma was a good man, but did not have the ability to lead in a crisis situation.

17. (C) Zhang said that even if Ma won the election, he would face many difficulties and be largely ineffective. According to Zhang, because Taiwan domestic politics had become extremely polarized, the opposition party often had a lot of power. If Ma became president, he would not be able to make any compromises or begin negotiations on cross-Straits issues because of DPP opposition. Huang had a similar view and added that while Ma might be able to resolve the three links problem, he would not be able to make any progress on significant political issues. Huang also said that if DPP Premier Su Tseng-chang became President, he would only be able to resolve some of the three links issues, but similarly would not be able to make any significant political progress.

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Arms Procurement Bill Politics  
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18. (C) Shanghai scholars noted AIT Director Young's comments urging Taiwan pass the arms procurement bill. Zhang said that these comments were understandable since the United States was in the middle of an election season, but warned that such

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comments had a negative effect on cross-Straits relations. Huang asked whether Director Young's comments were aimed at testing Ma's leadership and probed whether the United States had lost its trust in Ma.

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Beijing's Position Towards Taiwan  
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19. (C) Huang said that Beijing would continue its policy of non-interference in Taiwan domestic politics. Beijing had learned its lesson that threatening Taiwan was counterproductive. Huang was worried, however, that if Beijing maintained its silence and did not react, this could lead Chen Shui-bian to become even more aggressive and radical. Nonetheless, he stressed that Beijing was not interested in military confrontation. Zhang said Beijing did not have a timeline for reunification. It understood that unification would take a long time and needed to be mutually agreed to by

both sides. Zhang also argued that the United States and China should discuss what should count as pro-independence steps within Taiwan's constitutional reform process and what should be considered as the "status quo."

¶10. (C) EAP Political Officers cleared this report.  
JARRETT